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HONORABLE FREDERICK CORBIT

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON

In Re:

GIGA WATT INC.

Debtor in Possession

Case No. 18-03197-11
Chapter 11

MOTION TO SHORTEN TIME
ON COMMITTEE'S MOTION
FOR CHAPTER 11 TRUSTEE

I. PRELIMINARY STATEMENT

The Unsecured Creditors Committee of Giga Watt, Inc. ("Committee") requests that the Court shorten time for notice and hearing on the Committee's simultaneously filed Motion for Chapter 11 Trustee (the "Trustee Motion"). Over the last day, it has become clear that the Debtor-in-Possession's management of Giga Watt operations is rapidly deteriorating, and without swift action by the Court, the Committee believes that the viability of the estate and potential for reorganization will be severely damaged. As such, the Committee asks the Court to consider this motion at the already-scheduled January 17, 2019 hearing.

COMMITTEE MOTION TO SHORTEN TIME ON TRUSTEE MOTION
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II. STATEMENT OF FACTS

Relevant facts underlying the Trustee Motion are contained therein. In addition to what is set forth there, the following has recently occurred, necessitating the immediate appointment of a trustee.

In the Debtor-in-Possession’s most recent court filing on January 14, 2019, Giga Watt announce that it is “acquiring a Letter of Interest for purchase of interest in the Debtor, and expects to have concrete details of the purchase early this week.” ECF No. 96, at p. 6, II. 13-14. Just hours ago, on the morning of January 15, 2019, the Debtor-in-Possession sent an email to “All Giga Watt Customers” indicating that “access and power to the facilities in which Giga Watt operates have been closed to the company.” The email goes on to state that Giga Watt is now in the process of shipping equipment out to customers, and that cryptocurrency is available for customer withdrawals. Finally, the email states that “there are now only a few employees remaining at Giga Watt who are available to assist” customers. Declaration of John Winslow, Ex. A.

By all appearances, the Debtor-in-Possession is in the process of shutting down its operations and liquidating its remaining assets, apparently due to unexpected shut-off of power and being locked out of facilities (in likely violation

of the automatic stay)—all without court approval and in potential violation of this Court’s cash collateral order (ECF No. 53).

III. LEGAL ARGUMENT

Under FRBP 9006(c)(1), the Court may “for cause shown” reduce the period within which an act is required or allowed to be done. Cause exists here due to recent developments and the accelerating rate at which it has become clear that the Debtor-in-Possession is not managing and operating its going concern, or even participating in this case. So far, the Debtor-in-Possession has failed to attend its 341 meeting of creditors, apparently lost its counsel, failed to submit monthly operating reports, and now is sending correspondence to customers/creditors about an apparent shut-down of the business and distribution of property of the estate and potentially its secured creditors’ collateral.

The Committee's Trustee Motion seeks the appointment of a qualified Chapter 11 trustee that can step in and take over Giga Watt's operations in order to preserve and maximize value for all creditors, as well as comply with ongoing reporting requirements in the interest of transparency. The value of appointing such a trustee, however, will only last as long as the Debtor lasts; if things continue down the path they appear to be on, there may not be a going concern

1 left for a Chapter 11 trustee to operate by time the Trustee Motion could be heard
2 on regular time.
3

4 **IV. CONCLUSION**

5 In order to maximize the potential of reorganization and a return for
6 creditors, the Committee requests that the Court consider the Trustee Motion at
7 the next available opportunity – the already-scheduled hearing in this case set for
8 January 17, 2019.

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10 DATED this 15th day of January, 2019.
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15 */s/ Dominique Scalia*
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